Clean and green recovery which also tackles the climate emergency - 8 July 2020

1. Green Innovation and Management Practices - Vania Sena (Productivity Insights Network and University of Sheffield):

When we talk about green recovery we are talking about product and process innovations. A new **product** is 'green' if it has an impact on sustainability; process innovations focus on internal processes. The UK intellectual-property dashboard keeps track of product innovations in process of being approved. Their patents focus on energy-saving innovation, wind energy, and recycling. Most are small companies that can grow faster by participating in green innovation and diffusing knowledge through these products. These are concentrated in the eastern part of the country.

Process innovators are harder to pin down. Most process innovators are also product innovators; they tend to have management practices – cooperative, not top-down, and with a role for worker voice - that positively impact company performance. Enterpreneur-inventors and social enterprises are very prominent early innovators, with large companies mostly looking to obtain patents through the green channel office and instead following up, not leading.

Policy offer:

- Local/combined authorities should actively support entrepreneurs and social innovation exploring green innovation.
- Building knowledge-exchange sharing and diffusion infrastructures for smaller firms will spread sustainability through firm-level innovations and build innovation clusters.

2. Financing for society – Mark Davis (University of Leeds)

Place-based solutions led by municipal authorities are vital for delivering innovation targets in our region. Since local authorities have lost funding and face higher borrowing costs, we need new, stable sources of funding. Everyone is an impact investor, but most people's money (savings) disappears into global sectors. Change involves seeing that how we use our money depends on the social relations around it. So our relationship with place is a powerful motivating factor to move money into our communities.

Innovative models of financing society that create decision tools emphasizing these links are needed: in particular, Community Municipal Investments (CMIs). Shifting 10% of money in traditional cash/investment products would create sizable investment pools for local innovation. CMIs are 5-30 year investments with fixed annuity, with low borrowing costs. Investors take council risk (equivalent to UK gilt), not project risk, with social/environmental (and 1-1.5% financial) returns.

Policy offer:

- To build crowd-funding of local innovation, we need to build the capacity within council teams to engage in innovative financing methods and to overcome a culture of risk aversion.
- The central government is unlikely to encourage this: local authorities must lead and draw on available support.
- Developing 'champions' in local authorities, learning from case-study evidence, and diffusing knowledge about CMIs are all crucial at this stage.
- Build capacity by leveraging CMIs – adapting 'blended finance' methods for local purposes.

3. Metrics for Post-Covid19 Recovery - Arpita Bhattacharjee (University of Leeds)

In measuring inclusive growth, avoid two pitfalls: (1) unidimensional measures of progress, such as just the adoption of new products, which lead to technological determinism; (2) don't over-rely on GDP growth as a measure of progress – consider holistic views of well-being.

Policy offer:

- Account for and inform residents about adverse impacts of climate change on vulnerable, lower-income and high-minority communities.
- Develop new real-time metrics that capture the distributional impacts of sustainable growth and build information feedback loops.
- Focus on immediate feedback, encouraging complementarity between innovations in clean growth and inclusive growth.
- Transform the 'leveling up' agenda by implementing it through micro and community-level policy changes that allow a fundamental rethink of inclusive growth that incorporate but also move beyond new technologies.

4. Green economic recovery, infrastructure and wellbeing: implications for decision making - Katy Roelich (University of Leeds)

Three key points in decision-making concerning the value chain that connects physical infrastructure assets and their governance to the climate emergency can shift us toward greener outcomes and well-being at the chain's end: (1) holistic analysis, as not all green innovation is ultimately positive for well-being (eg electric cars have negatives); (2) recovery through green innovation will impact peoples' daily lives (possibly exacerbating existing inequalities), so people so they should be giving people a voice, especially socially excluded areas/people; (3) build uncertainty into action strategies, don't wait until risk disappears.

Policy offer:

- Develop and diffuse methods of mapping strategies for climate action and economic recovery through these chains.
- Adapt new policy measures, such as Wales' Future Generations Framework https://futuregenerations.wales/resources_posts/future-generations-framework/, for local use.
- Use citizens' assemblies to develop principles for green recovery.
- Build the capacity to use scenarios to test the robustness of proposed actions in reducing vulnerability to uncertainty and increasing adaptability.

5. The 15 minute neighbourhood - Paul Chatterton (University of Leeds)

Rebuild neighborhoods using the principle of residents being able to access basic needs within a 15-minute walk from their homes, thus encouraging localisation of active travel and employment opportunities. Design in greenspace, local schools, social centres, and neighborhood goods and services. Renew neighborhood housing via retrofit, not new build.

Policy offer:

- Experiment with adaptations in the planning system that encourage localization.
- Develop granular, neighborhood-level mechanisms and assemblies that can surface new visions of how people see their neighborhoods and what they want and can support there.
- Experiment with land-use and planning processes that highlight the public/spillover aspects of land use: avoid privatized land-use deals that privilege shareholder voice over local control.